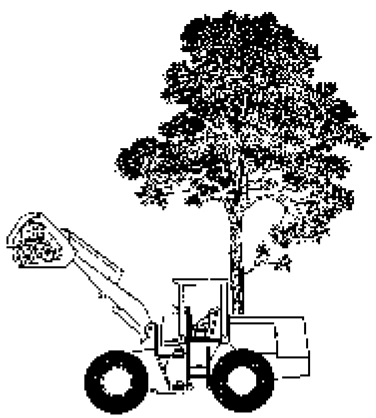
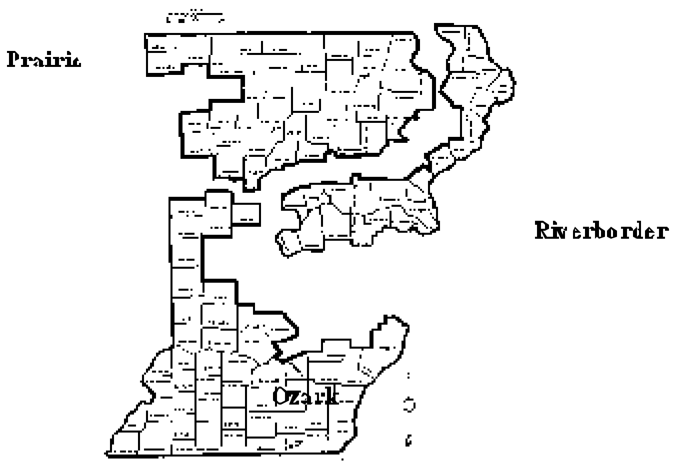
Missouri Timber Price Trends



Quarterly Market Report
Vol. 4 No. 4
July - September 1994

Missouri Department of Conservation

Price Reporting Regions



Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs		Int'l = Doyle x 1.52
		Int'l = Scribner x 1.18
Pulpwood	Pine	5,200 lbs/cord
	Hardwood (hard)	5,600 lbs/cord
	Hardwood (soft)	4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(July - September, 1994)

	High $/MBF	Low $/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	$1315	$986	$1044	$788	--	2	12160
Red oak (group)	$641	$641	$641	--	--	1	30400
White oak (group)	$641	$641	$641	$328	--	1	30400
Sawlogs							
Ash	$197	$197	$197	$181	--	1	1520
Black Walnut	$559	$125	$232	$418	--	5	39665
Hackberry	$82	$82	$82	$190	--	1	16720
Hickory	$83	$83	$83	--	--	1	4785
Soft Maple	$155	$155	$155	$40	--	1	3000
Oak (mixed species)	$158	$49	$125	$120	--	21	7731811
Red oak (group)	$263	$83	$169	$177	--	8	448689
White oak (group)	$246	$83	$139	$162	--	9	270843
Yellow Poplar	$217	$217	$217	--	--	1	46728
Mixed Hardwoods	$183	$46	$86	$132	--	13	695830
Eastern Redcedar	$200	$200	$200	--	--	1	47000
Southern Yellow Pine	$157	$86	$132	$127	--	15	712181

MBF = Thousand Board Feet. Board Foot Volumes are based on International ¼" Rule Scale

TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S RIVERBORDER REGION

(July - September, 1994)

	High $/MBF	Low $/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Red oak (group)	$641	$641	$641	--	--	1	30400
White oak (group)	$641	$641	$641	--	--	1	30400
Sawlogs							
Oak (mixed species)	$120	$120	$120	$116	--	1	49680
Red oak (group)	$263	$263	$263	$199	--	1	38154
White oak (group)	$246	$246	$246	$170	--	1	21058
Yellow Poplar	$217	$217	$217	--	--	1	46728
Mixed Hardwoods	$183	$90	$153	$185	--	2	77716

MBF = Thousand Board Feet. Board Foot Volumes are based on International ¼" Rule Scale

TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S PRAIRIE REGION

(July - September, 1994)

	High $/MBF	Low $/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	$1315	$1315	$1315	$788	--	1	2128
Sawlogs							
Ash	$197	$197	$197	$98	--	1	1520
Black Walnut	$559	$200	$222	$445	--	3	25542
Hackberry	$82	$82	$82	--	--	1	16720
Soft Maple	$155	$155	$155	--	--	1	3000
Oak (mixed species)	$49	$49	$49	--	--	1	3648
Red oak (group)	$197	$145	$148	--	--	2	57500
White oak (group)	$177	$140	$153	$131	--	2	50540
Mixed Hardwoods	$83	$83	$83	--	--	1	67000

MBF = Thousand Board Feet. Board Foot Volumes are based on International ¼" Rule Scale

TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S OZARK REGION

(July - September, 1994)

	High $/MBF	Low $/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	$986	$986	$986	--	--	1	10032
Sawlogs							
Black Walnut	$263	$125	$249	$150	--	2	14123
Hickory	$83	$83	$83	--	--	1	4785
Oak (mixed species)	$158	$63	$125	$130	--	19	7678483
Red oak (group)	$215	$83	$162	$171	--	5	353035
White oak (group)	$215	$83	$124	$159	--	6	199245
Mixed Hardwoods	$130	$46	$77	$120	--	10	551114
Southern Yellow Pine	$157	$86	$132	$127	--	15	712181
Eastern Redcedar	$200	$200	$200	--	--	1	47000

MBF = Thousand Board Feet. Board Foot Volumes are based on International ¼" Rule Scale

Missouri Log Market Report

Missouri Department of Conservation, Forestry Division
University of Missouri, Forestry Extension
Missouri Forest Products Association

Welcome to the eleventh edition of the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call Shelby Jones at (314) 751-4115, Extension 109.

Grade Logs - Average Statewide Delivered Prices

(July - September, 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer

Species	High	Low	Average
Black Walnut	$1238	$838	$1038
White oak (group)	$476	$410	$434

*** 11 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	$335	$213	$120
Black Walnut	$497	$305	$168
Cherry	$448	$384	$181
Cottonwood	$155	$144	$130
Eastern Redcedar	$250	$250	$250
Elm	$115	$120	$120
Hackberry	$115	$120	$120
Hard Maple	$220	$184	$82
Hickory	$115	$120	$120
Pecan	$120	$120	$120
Red oak (group)	$345	$240	$136
Soft Maple	$276	$184	$116
Southern Yellow Pine	$200	$167	--
Sycamore	$149	$145	$100
White oak (group)	$347	$210	$130

*** 16 Mill(s) reporting.**

Grade Logs - Average Delivered Prices for the Prairie Region

(July - September, 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer

Species	High	Low	Average
Black Walnut	$1029	$775	$902
White oak (group)	$476	$410	$434

*** 8 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	$321	$195	$123
Black Walnut	$441	$245	$102
Cherry	$183	--	--
Cottonwood	$163	$200	$135
Elm	$113	--	--
Hackberry	$113	--	--
Hard Maple	$147	--	--
Hickory	$113	--	--
Red oak (group)	$367	$245	$92
Soft Maple	$314	$193	$128
Sycamore	$159	$158	$120
White oak (group)	$475	$245	$151

*** 5 Mill(s) reporting. Note: Grade 1&2 Log standards are more selective in the Prairie region.**

Grade Logs - Average Delivered Prices for the Ozark Region

(July - September, 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	$250	$200	$150
Black Walnut	$350	$250	$180
Red oak (group)	$302	$240	$174
Southern Yellow Pine	$200	$167	--
Sycamore	--	--	$61
White oak (group)	$250	$186	$175

*** 9 Mill(s) reporting.**

Grade Logs - Average Delivered Prices for the Riverborder Region

(July - September, 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer

Species	High	Low	Average
Black Walnut	$1795	$1009	$1402

*** 3 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	$413	$247	$101
Black Walnut	$562	$334	$182
Cherry	$580	$384	$181
Cottonwood	$120	$116	$120
Eastern Redcedar	$250	$250	$250
Elm	$120	$120	$120
Hackberry	$120	$120	$120
Hard Maple	$294	$184	$82
Hickory	$120	$120	$120
Pecan	$120	$120	$120
Red oak (group)	$413	$238	$111
Soft Maple	$180	$171	$90
Sycamore	$120	$120	$120
White oak (group)	$349	$229	$88

*** 4 Mill(s) reporting.**

Below Grade Logs - Average Statewide Delivered Prices

(July - September, 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Below Grade Logs

Species	Blocking	Pallet	Tie
Ash	$119	$124	$145
Black Walnut	$120	$127	$145
Cherry	$132	$120	$120
Cottonwood	$108	$99	$102
Eastern Redcedar	$197	$250	$250
Elm	$126	$119	$133
Hackberry	$126	$116	$135
Hard Maple	$145	$150	--
Hickory	$126	$124	$146
Pecan	$130	$112	$120
Red oak (group)	$126	$124	$148
Soft Maple	$120	$111	$121
Southern Yellow Pine	$130	$121	$142
Sycamore	$118	$113	$124
White oak (group)	$119	$120	$141

*** 6 Mill(s) reporting.**

QUARTERLY MARKET CONDITIONS

Twenty-four mills, with a combined annual production of 87.4 million board feet, participated in the July- September survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 35 timber sales containing 20.1 million board feet located throughout the state.

Log Markets

In general, lower grade logs (blocking, pallet, and tie logs) appear to be lower by $10-$30 per MBF. Seasonal fluctuation and relative demand account for most of this market change.

The situation with higher grade logs seems to be somewhat different in each of the three regions. Starting with the Prairie Region, both white oak and red oak indicate increased values with the exception of grade 3 red oak. This would correspond with the below grade market described in the above paragraph and market demand for higher grades of lumber. Higher prices are also indicated for all other species reported in the Prairie. Log inventories in the north are indicated to be good, with a possible oversupply of low grade logs. Pallet lumber, cants, and tie markets are lower at most reporting mills. The majority of mills forecast no major changes in markets in the next quarter. Several mills mentioned a tighter squeeze between high stumpage costs and declining lumber prices.

The River Border area also showed higher prices for grade 1 oak, both red and white, but lower prices for lower grade logs. Soft hardwood prices remained steady or were slightly lower. Recovery from the '93 flood seems to have been accomplished in this areas with excellent logging conditions throughout most of the summer. Log inventories are good and a few mills even noted surpluses. Over supply of lower grades of walnut and oak lumber were noted.

The Ozark Region is a real contrast to the rest of the state this quarter. Delivered log prices for grade 1 and grade 2 logs are down and grade 3 logs are up. Admittedly, regional differences in log grading practices may account for some of this difference. However, I believe the prevalence of band resaw equipment in this area is increasing recovery of usable lumber from lower grade logs and many mills are simply not willing to compete for the high grade logs. Declining tie markets were mentioned by several mills as a condition they see remaining through the next quarter.

Overall, business has been fairly steady during the 3rd Quarter. Most mills are operating at 100% capacity and forecast about the same level of log procurement and production for the next quarter.

Stumpage Markets

The 3rd Quarter is traditionally when foresters put the least amount of timber on the market. Vacation schedules and the tendency of mills to lower log inventories during this period simply reduces the number of timber sales during this period. That fact is painfully evident in the price tables in this report.

During the period July-September, 1994 there were a minimal number of timber sales reported by foresters in the Prairie and River Border regions of the state. While the prices reported being received by landowners appear to be compatible with other information received about stumpage values, one should be extremely careful in using the current figures for those two areas.

There are, however, a couple of significant changes in stumpage prices that should be noted. Red oak sawtimber is now bringing slightly higher prices than white oak sawtimber of similar quality. The value of red oak has been "closing the gap" on white oak for the past several quarters, but it finally made it to the front in this report. This trend holds true in all areas of the state. As far veneer prices, there were not enough reports of veneer oak sales to establish a trend. National reports we receive in this office indicate white oak veneer logs still have the edge in value and a much bigger volume of logs shipped to international markets. However, if you have veneer quality logs of either white oak or red oak, Fall and Winter seasonal increases in the demand for veneer logs usually means better prices as well.

In the Ozark Region, the number of sales reported was great enough to provide good information. The data includes information from sales from private, state, and federal lands this quarter. We welcome back the reports from the U.S. Forest Service after a short absence.

It appears that stumpage prices have generally stabilized for most species, with top prices being $5-10 per MBF lower than last quarter. Sales including significant volumes of high quality, large trees continue to buck this trend. Many mills still appear willing to give premium prices for the best trees. On the other end of the spectrum, the lowest prices paid still appear to be climbing. It is getting harder and harder to find "bargains" if you are buying oak stumpage. It will be interesting to see if stumpage prices follow these trends when the mills get serious about building log inventories for winter.

Redcedar inquiries have been increasing in the northern portion of the Eastern Ozarks. One redcedar sale was reported during the quarter at $200.per MBF. Unofficial reports have been received of others from $120.-$200. Also, exceptionally large diameter and clear trees have reportedly sold on the stump for $600-$800. per MBF.

Sawtimber pine prices have increased on the average about $5 per MBF. As more demand is placed on privately owned pine sawtimber, stumpage prices are predicted to rise more. Factors responsible for this are coming from outside the state of Missouri, making predictions difficult at this time.

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (314) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.

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ADDRESS CORRECTION REQUESTED